



Home Repair Loan and Grant Program

About the Section 504 Program

USDA Rural Development provides Section 504 Home Repair Loans and Grants in rural areas to eligible, very low-income homeowners who are unable to obtain credit elsewhere. Under this program, eligible applicants may obtain funds to repair, improve, modernize, or remove health and safety hazards in their owner-occupied dwellings.

Loan Amounts & Terms

Loans of up to \$20,000 and grants of up to \$7,500 are available. Loans terms are for up to 20 years at one percent interest. A real estate mortgage and full title services are required for loans of \$7,500 or more. Grants may be recaptured if the property is sold in less than three years. Grant funds may be used only to pay for repairs and improvements resulting in the removal of health and safety hazards. A grant/loan combination is made if the applicant can repay part of the cost. Loans and grants can be combined for up to \$27,500 in lifetime assistance.

Eligibility Requirements

To obtain a loan, homeowner-occupants must be unable to obtain affordable credit elsewhere and must have very low incomes, defined as below 50 percent of the area median income. The homeowner must need to make repairs and improvements to make the dwelling safe and sanitary, or to remove health and safety hazards.

Grants are only available to homeowners who are 62 years old or older to remove health and safety hazards, and cannot repay a Section 504 loan. For income and property eligibility please visit our website at www.rurdev.usda.gov/OR_Home.html.

All USDA loans have certain eligibility requirements that must be met. Some of these requirements are listed below:

- Household income cannot exceed an adjusted gross income limit based on household size (see the "Income and Area Loan Limits" chart on pages 2 and 3).
- The applicant must have a satisfactory credit history (see page 5, "Indicators of Unacceptable Credit").
- The applicant must have reliable and dependable income.
- The applicant must show repayment ability, including the loan payment(s), real estate taxes, homeowner's insurance, if applicable, and current debt obligation(s).
- The applicant must be a U.S. Citizen or legally admitted Permanent U.S. resident.
- The applicant must be 18 years of age or older and able to enter into a binding contract.

Income & Area Loan Limits for Oregon

County	Household Income Limit (by number of residents per household)								Area Loan Limit
	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household	7 Person Household	8 Person Household	
Baker	\$ 29,900	\$ 34,150	\$ 38,450	\$ 42,700	\$ 46,100	\$ 49,550	\$ 52,950	\$ 56,350	\$ 170,000
Benton	41,550	47,500	53,400	59,350	64,100	68,850	73,600	78,350	223,600
Clackamas	40,900	46,700	52,550	58,400	63,050	67,750	72,400	77,100	220,800
Clatsop	31,750	36,300	40,800	45,350	49,000	52,600	56,250	59,850	201,300
Columbia	40,900	46,700	52,550	58,400	63,050	67,750	72,400	77,100	191,600
Coos	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	212,300
Crook	31,550	36,050	40,550	45,050	48,650	52,250	55,850	59,450	195,000
Curry	30,450	34,800	39,150	43,500	47,000	50,450	53,950	57,400	230,700
Deschutes	37,150	42,500	47,800	53,100	57,350	61,600	65,850	70,100	232,000
Douglas	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	224,500
Gilliam	30,600	34,950	39,350	43,700	47,200	50,700	54,200	57,700	165,000
Grant	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	170,000
Harney	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	164,800
Hood River	32,400	37,050	41,650	46,300	50,000	53,700	57,400	61,100	267,000
Jackson	32,750	37,450	42,100	46,800	50,550	54,300	58,050	61,800	215,300
Jefferson	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	166,000
Josephine	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	227,200

Income & Area Loan Limits for Oregon *(continued from previous)*

County	Household Income Limit (by number of residents per household)								Area Loan Limit
	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household	6 Person Household	7 Person Household	8 Person Household	
Klamath	\$ 30,450	\$ 34,800	\$ 39,150	\$ 43,500	\$ 47,000	\$ 50,450	\$ 53,950	\$ 57,400	\$ 184,800
Lake	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	169,300
Lane	33,150	37,900	42,600	47,350	51,150	54,950	58,700	62,500	191,100
Lincoln	31,200	35,650	40,100	44,550	48,100	51,700	55,250	58,800	195,900
Linn	32,850	37,550	42,250	46,950	50,700	54,450	58,200	61,950	179,900
Malheur	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	170,000
Marion	33,600	38,400	43,200	48,000	51,850	55,700	59,500	63,350	200,900
Morrow	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	170,000
Multnomah	40,900	46,700	52,550	58,400	63,050	67,750	72,400	77,100	214,200
Polk	33,600	38,400	43,200	48,000	51,850	55,700	59,500	63,350	185,900
Sherman	30,150	34,500	38,800	43,100	46,550	50,000	53,450	56,900	171,200
Tillamook	31,000	35,400	39,850	44,250	47,800	51,350	54,850	58,400	196,800
Umatilla	30,850	35,300	39,700	44,100	47,650	51,150	54,700	58,200	175,000
Union	32,000	36,550	41,150	45,700	49,350	53,000	56,650	60,300	175,000
Wallowa	30,350	34,700	39,000	43,350	46,800	50,300	53,750	57,200	190,000
Wasco	30,050	34,300	38,600	42,900	46,350	49,750	53,200	56,650	205,000
Washington	40,900	46,700	52,550	58,400	63,050	67,750	72,400	77,100	207,700
Wheeler	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	165,000
Yamhill	40,900	46,700	52,550	58,400	63,050	67,750	72,400	77,100	192,000

What Qualifies as a “Rural Area”?

Rural areas include open country and communities with populations of not more than 25,000, which are rural in character and not closely associated with urban areas.

To determine eligibility visit <http://eligibility.sc.egov.usda.gov>.

Maps delineating eligible rural area boundaries are available in the administrative office in Portland or the branch office serving the county in which the property is located. Refer to the Oregon Directory of USDA Rural Development offices at www.rurdev.usda.gov/ORoffices.html.

Ineligible Cities/Areas in Oregon

(listed by county)

County: Ineligible City/Area

Benton: Corvallis

Clackamas: Clackamas

Gladstone

Happy Valley

Johnson City

Lake Grove

Lake Oswego

Milwaukie

Oregon City

Rivergrove

West Linn

Coos: Charleston

Deschutes: Bend

Jackson: Central Point

Medford

Josephine: Grants Pass

Lane: Eugene (Metro)

Springfield

County: Ineligible City/Area

Linn: Albany

Marion: Salem/Keizer

Multnomah: Fairview

Gresham

Maywood Park

Portland (metro)

Troutdale

Wood Village

Washington: Aloha

Beaverton

Durham

Hillsboro

King City

Reedville

Tigard

Tualatin

Yamhill: McMinnville

Indicators of Unacceptable Credit

For a USDA Rural Development Loan

- **Little or no positive credit history:** The lack of a positive credit history on the credit report may be mitigated if the applicant can document a willingness to pay recurring debts through other acceptable means such as third party verifications or canceled checks. Due to impartiality issues, third party verifications from relatives of household members are not permissible.
- **Payments on any installment account where the amount of the delinquency exceeded one installment for more than 30 days within the last 12 months**
- **Payments on any revolving account, which was delinquent for more than 30 days on one or more occasions within the last 12 months**
- **A foreclosure that has been completed within the last 36 months**
- **An outstanding Internal Revenue Service (IRS) tax lien or any other outstanding tax liens with no satisfactory arrangement for payment**
- **Two or more rent payments paid 30 or more days late within the last two years:** If the applicant has experienced no other credit problems in the past two years, only one year of rent history will be evaluated. This requirement may be waived if the program loan will reduce shelter costs significantly and contribute to improved repayment ability.
- **Outstanding collection accounts with no satisfactory arrangements for repayment,** or collection accounts that were paid in full within the last six months, unless the applicant had been making regular payments for at least six months
- **Non-agency debts written off within the last 36 months,** unless the debt was paid in full at least 12 months ago
- **Agency debts that were debt settled within the past 36 months,** or are being considered for debt settlement
- **Delinquency on a federal debt**
- **A court-created or court-affirmed obligation or judgment caused by nonpayment that is currently outstanding or has been outstanding within the last 12 months, except:**
 - A bankruptcy in which debts were discharged less than 36 months prior to the date of application; or where an applicant successfully completed a bankruptcy debt restructuring plan and has demonstrated a willingness to meet obligations when due for the 12 months prior to the date of application
- **A judgment satisfied more than 12 months before the date of application**

An applicant with an outstanding judgment obtained by the United States in a federal court, other than the United States Tax Court, is not eligible for a Section 504 loan and/or grant. This requirement is statutory and cannot be waived.

For More Information

For additional information about program eligibility, rules, program contacts for Oregon, etc., please visit the following websites:

Section 504 Home Repair Loan and Grant Program in Oregon: http://www.rurdev.usda.gov/OR%20sfh_504.html

Eligibility website: <http://eligibility.sc.egov.usda.gov> (property location and applicant eligibility)

USDA Rural Development information: http://www.rurdev.usda.gov/OR_Home.html (Regulations, Handbooks HB-1-3550 (502 and 504 programs); Regulations, Instruction 1980-D (Guaranteed Programs))

USDA Rural Development website for pending foreclosures and inventory houses: <http://www.resales.usda.gov/resales/index.jsp>

Questions?

For more information about this program, please send us an e-mail at:

Direct.questions@or.usda.gov.

Or, contact the USDA Rural Development Oregon State Office at 866-923-5626, ext 2.



How to Apply

1. Submit Pre-application Materials

If, after carefully reviewing the information in this fact sheet, you think the Section 504 Program might be a good fit, you will want to see if you pre-qualify for assistance. To do so, complete and return the following items:

- [Pre-Qualification Sheet](#)
- [Authorization to Release Information](#), form RD 3350-1 (one for each adult household member)
- [Credit Score Disclosure](#)
- [Budget/Financial Statement](#), form RD 1944-3

The above templates can be found online at www.rurdev.usda.gov/OR%20sfh_504.html.

E-mail your information to USDA Rural Development at:

Direct504.prequals@or.usda.gov

A USDA Rural Development specialist will contact you to discuss your eligibility for the program.

2. Submit a Full Application

After you have worked with USDA Rural Development to pre-qualify for a home repair loan or grant, you may then proceed with a formal application for funding. The paperwork submitted previously will remain on file. In addition, you will also need to submit the:

- [Uniform Residential Loan Application](#), RD form 410-4.

E-mail the application to:

Direct504.apps@or.usda.gov.

As your application moves through the process, your assigned loan specialist will maintain direct communication with you.